

DEPARTMENT OF AGING

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PROGRAM MEMO

TO: AREA AGENCY ON AGING DIRECTORS	NO.: PM 06-07
SUBJECT: Fiscal Year 2006-07 Area Plan Contracts and Original Area Plan Budgets	DATE ISSUED: March 15, 2006
REVISED	EXPIRES: June 30, 2007
REFERENCES:	SUPERSEDES:
PROGRAMS AFFECTED: <input type="checkbox"/> All <input checked="" type="checkbox"/> Title III-B <input checked="" type="checkbox"/> Title III-C1/C2 <input checked="" type="checkbox"/> Title III-D <input checked="" type="checkbox"/> Title III-E <input type="checkbox"/> Title V <input checked="" type="checkbox"/> CBSP <input type="checkbox"/> MSSP <input checked="" type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input type="checkbox"/> Other: _____	
REASON FOR PROGRAM MEMO: <input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify: <u>Transmit FY 2006-07 Area Plan Contracts</u>	
INQUIRIES SHOULD BE DIRECTED TO: Your AAA-Based Team Fiscal Specialist	

This Program Memo (PM) transmits your Fiscal Year (FY) 2006-07 Area Plan (AP) Contract. The amount of this Contract is based on the revised Planning Estimate issued in PM 06-06 (P) and assumes no changes in the State funding for FY 2006-07. However, there is a change in the AP Budget Display allocation for the Nutrition Services Incentive Program (NSIP), which is explained below.

Nutrition Services Incentive Program (NSIP)

The Bureau of State Audits (BSA) recently completed a FY 2004-05 audit of the California Department of Aging (Department). During the audit, BSA discovered that FY 2004-05 NSIP funds were incorrectly allocated based on meal counts for a 9-month period (October-June) instead of a 12-month period (July-June). This error resulted in payments to AAAs that were either slightly more or less than they would have been had the calculation been based upon the full 12 months. In order to correct this error, the Department has calculated the correcting adjustments for Title III C-1 and Title III C-2 for each Area Agency on Aging (AAA) and has included these adjustments in the FY 2006-07 NSIP allocations. These NSIP adjustments are



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detailed in the Comments section of the Budget Display. FY 2005-06, NSIP allocations were calculated correctly on meal counts for the full 12-month period and do not require an adjustment.

Processing Timeframes

AP Contracts

Please sign and return all four copies of the enclosed contract (Std 213) with original signatures to:

California Department of Aging
Contracts and Business Services Section
1300 National Drive, Suite 200
Sacramento, CA 95834

AP Budgets

An electronic copy of the original FY 2006-07 Area Plan Budget (CDA 122) that incorporates the amounts specified in the AP Budget Display attached to your FY 2006-07 AP Contract is **due to your assigned AAA-Based Team Fiscal Specialist no later than May 1, 2006.**

As a reminder, FY 2006-07 AP payments to AAAs will not be processed until the original FY 2006-07 AP Budget is approved and the FY 2006-07 AP Contract is returned to and fully executed by the Department.

Original signed by Lora Connolly

Lora Connolly
Acting Director

Enclosures